

July 17, 2013

Item No. 10

**AUTHORIZATION TO : 1) SUBMIT A MIXED-FINANCE PROPOSAL, EVIDENTIARY DOCUMENTS AND DISPOSITION APPLICATION TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; 2) COMMIT CHICAGO HOUSING AUTHORITY FUNDS UP TO \$4,000,000 FOR THE DORCHESTER ARTIST HOUSING DEVELOPMENT; 3) CONVEY SCATTERED SITE BUILDINGS WITH THE APPROXIMATE STREET ADDRESSES OF 6949-59, 6948-58 S. HARPER, 6949-59 S. DANTE AND 1446-70, 1506-14 E. 70<sup>th</sup> STREET; 4) APPROVE THE TENANT SELECTION PLAN, LEASE AND LEASE RIDERS FOR WASHINGTON PARK DEVELOPMENT REPLACEMENT HOUSING AT THE PRIVATE DEVELOPMENT KNOWN AS DORCHESTER ARTIST HOUSING AND TO AMEND THE CHA ADMISSIONS AND CONTINUED OCCUPANCY POLICY TO INCORPORATE SUCH DOCUMENTS AS AN ADDENDUM THERETO; AND; 5) EXECUTE A GROUND LEASE AND DELIVER SUCH OTHER DOCUMENTS AND PERFORM SUCH ACTIONS AS MAY BE NECESSARY OR APPROPRIATE TO IMPLEMENT THE FOREGOING**

**To the Honorable Board of Commissioners:**

**RECOMMENDATION**

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to: 1) Submit a Mixed-Finance Proposal, Evidentiary documents and Disposition application to the United States Department of Housing and Urban Development; 2) Commit Chicago Housing Authority funds up to \$4,000,000 for the Dorchester Artist Housing development; 3) Convey scattered site buildings with the approximate street addresses of 6949-59, 6948-58 S. Harper, 6949-59 S. Dante and 1446-70, 1506-14 E. 70<sup>th</sup> Street by quit claim deed; 4) Approve the Tenant Selection Plan, Lease and Lease Riders for Washington Park development replacement housing at the private development known as Dorchester Artist Housing and to amend the CHA Admissions and Continued Occupancy Policy to incorporate such documents as an addendum thereto; and; 5) Execute a Ground Lease and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing

The Chief Development Officer of Development, the Office of the General Counsel and the Office of Procurement have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

**CORPORATE GOAL #1:**

Reimagine the final phase of the Plan for Transformation, coordinating public and private investments to develop vibrant, complete communities

**FUNDING:** Not to exceed \$4,000,000 CHA General funds

**PROJECT OVERVIEW:**

The Dorchester Artist Housing redevelopment is the rehabilitation and adaptive reuse of the former 36-unit Dante-Harper public housing Scattered Site development into 32 units of mixed-income housing and an arts center/management office. This one phase redevelopment of five townhome buildings is

located on East 70<sup>th</sup> Street between Dante and Harper Avenues in Chicago's Southside Greater Grand Crossing neighborhood.

Dorchester Artist Housing will consist of three different income tiers allocated for public housing, affordable, and unrestricted market rate residents, respectively.

**Unit & Bedroom mix** – 32 Total Rental Units

Unit Type	Public Housing	Affordable	Market Rate	TOTAL
2 BR	8	8	6	22
3 BR	4	3	3	10
TOTAL	12	11	9	32

The project's five buildings are located on two adjacent sites, divided by Harper Avenue, in an area generally bounded by the alley north of East 70th Street to the north, South Dante Avenue to the west, East 70th Street to the south, and midway on the block east of South Harper Avenue to the east.

Dorchester Artist Housing is designed to strengthen the Greater Grand Crossing community by rehabilitating the vacant Dante-Harper development into a mixed-income community with a focus on the arts. Artists will be encouraged to live in the development through a preference provided for artists only in the tax credit and market rate units. In addition to housing designed to be customizable by the artists, the on-site arts center with arts programming will be an attraction to artists and their families. The development will provide a unique addition to the diverse array of rental and for-sale units available across the community in multi-unit buildings, single-family, and town homes.

**DEVELOPMENT ENTITIES:**

Brinshore Development, L.L.C. and The Rebuild Foundation NFP are the co-developers for the Dorchester Artist Housing Redevelopment. Brinshore Development, L.L.C. (Brinshore) is the sponsor of the obligations under the redevelopment agreement. The residential development team consists of a partnership between Brinshore and The Rebuild Foundation NFP, an Illinois not-for-profit corporation.

**FINANCING:**

The total estimated development budget for Dorchester Artist Housing is \$11,643,894 including the \$3,550,000 CHA Loan to be funded with CHA Capital funds. Additional project sources include approximately \$361,917 of CHA Capital funds to be used to fund CHA administration costs and the Initial Operating Deficit Reserve.

**TENANT SELECTION PLAN:**

The proposed resolution is to approve the form of tenant selection plan, lease and lease riders to be used for Washington Park replacement housing units at Dorchester Artist Housing development. It is

understood that the developer has an interest and desire to implement its own lease forms and policy that encourage consistent community standards for the effective management of its development.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) procurement laws.

The Chief Development Officer of Development concurs with the recommendation to: 1) Submit a Mixed-Finance Proposal, Evidentiary documents and Disposition application to the United States Department of Housing and Urban Development; 2) Commit Chicago Housing Authority funds up to \$4,000,000 for the Dorchester Artist Housing development; 3) Convey scattered site buildings with the approximate street addresses of 6949-59, 6948-58 S. Harper, 6949-59 S. Dante and 1446-70, 1506-14 E. 70<sup>th</sup> Street by quit claim deed; 4) Approve the Tenant Selection Plan, Lease and Lease Riders for Washington Park development replacement housing at the private development known as Dorchester Artist Housing and to amend the CHA Admissions and Continued Occupancy Policy to incorporate such documents as an addendum thereto; and; 5) Execute a Ground Lease and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing

The CEO/President recommends the approval to: 1) Submit a Mixed-Finance Proposal, Evidentiary documents and Disposition application to the United States Department of Housing and Urban Development; 2) Commit Chicago Housing Authority funds up to \$4,000,000 for the Dorchester Artist Housing development; 3) Convey scattered site buildings with the approximate street addresses of 6949-59, 6948-58 S. Harper, 6949-59 S. Dante and 1446-70, 1506-14 E. 70<sup>th</sup> Street by quit claim deed; 4) Approve the Tenant Selection Plan, Lease and Lease Riders for Washington Park development replacement housing at the private development known as Dorchester Artist Housing and to amend the CHA Admissions and Continued Occupancy Policy to incorporate such documents as an addendum thereto; and; 5) Execute a Ground Lease and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing

**RESOLUTION NO. 2013-CHA-57**

**WHEREAS,** the Board of Commissioners has reviewed the Board Letter dated July 17, 2013 entitled **"AUTHORIZATION TO: 1) SUBMIT A MIXED-FINANCE PROPOSAL, EVIDENTIARY DOCUMENTS AND DISPOSITION APPLICATION TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; 2) COMMIT CHICAGO HOUSING AUTHORITY FUNDS UP TO \$4,000,000 FOR THE DORCHESTER ARTIST HOUSING DEVELOPMENT; 3) CONVEY SCATTERED SITE BUILDINGS WITH THE APPROXIMATE STREET ADDRESSES OF 6949-59, 6948-58 S. HARPER, 6949-59 S. DANTE AND 1446-70, 1506-14 E. 70<sup>th</sup> STREET BY QUIT CLAIM DEED; 4) APPROVE THE TENANT SELECTION PLAN, LEASE AND LEASE RIDERS FOR WASHINGTON PARK DEVELOPMENT REPLACEMENT HOUSING AT THE PRIVATE DEVELOPMENT KNOWN AS DORCHESTER ARTIST HOUSING AND TO AMEND THE CHA ADMISSIONS AND CONTINUED OCCUPANCY POLICY TO INCORPORATE SUCH DOCUMENTS AS AN ADDENDUM THERETO; AND; 5) EXECUTE A GROUND LEASE AND DELIVER SUCH OTHER DOCUMENTS AND PERFORM SUCH ACTIONS AS MAY BE NECESSARY OR APPROPRIATE TO IMPLEMENT THE FOREGOING**

**THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY**

**THAT** the Board of Commissioners authorizes the Chief Executive Officer or his designee to: 1) Submit a Mixed-Finance Proposal, Evidentiary documents and Disposition application to the United States Department of Housing and Urban Development; 2) Commit Chicago Housing Authority funds up to \$4,000,000 for the Dorchester Artist Housing development; 3) Convey scattered site buildings with the approximate street addresses of 6949-59, 6948-58 S. Harper, 6949-59 S. Dante and 1446-70, 1506-14 E. 70<sup>th</sup> Street by quit claim deed; 4) Approve the Tenant Selection Plan, Lease and Lease Riders for Washington Park development replacement housing at the private development known as Dorchester Artist Housing and to amend the CHA Admissions and Continued Occupancy Policy to incorporate such documents as an addendum thereto; and; 5) Execute a Ground Lease and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing

This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3, and insurance requirements.

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